

**Date:** \_\_\_\_\_ 2017

**To:** Select Participants in the County’s SAGIC Stable Value Fund

**From:** Deferred Compensation Committee (List Committee Members?)

**Subject:** Deferred Compensation Plan Changes / Important Information

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You are part of a group of individuals originally placed in a general account or stable value account as a Qualified Default Investment Alternative (QDIA). According to our records, you still have a portion of your account balance in this default selection. This default investment option may not be appropriate for long-term investors like you. With this in mind, we encourage you to review the following information and determine next best steps based on your personal situation.

**You have a portion of your account balance in the SAGIC fund.**

The SAGIC is categorized as a “stable value fund.” It is designed to provide more investment stability and a relatively lower level of risk. Over time, stable value investments have provided lower returns than other investment categories. It is important to think about whether the earnings on this investment will be enough to fund all of your years in retirement. With this in mind, you may wish to diversify your investments.

**What can you do to diversify your investments?**

The County offers participants a wide range of investments – stocks, bonds and cash – to create a well-diversified portfolio. The Vanguard Target Retirement investments are a choice that makes it easy for participants to invest in a diverse investment strategy.\* These target date investments are single strategies offering professional management and monitoring, as well as diversification.

Each investment option has an automatic process that invests more conservatively as retirement nears, and the options names coincide with a particular retirement date (see chart below).

<b><u>Option</u></b>	<b><u>Birth Dates</u></b>
Vanguard Target Retirement Income	1944 or before
Vanguard Target Retirement 2015	1945 to 1954
Vanguard Target Retirement 2025	1955 to 1964
Vanguard Target Retirement 2035	1965 to 1974

Vanguard Target Retirement 2045	1975 to 1984
Vanguard Target Retirement 2055	1985 or after

Target date investments may not be appropriate for everyone. Investors should consider an investment's objectives, risks, charges and expenses carefully before investing. If you have questions or need financial advice, please consult with a financial advisor.

### Ready to consider a change? Here's what you can do...

#### Option A

To get assistance reviewing your investment strategy, schedule an individual appointment with MassMutual's Retirement Education Specialist, Patrick Washington, by visiting <http://bit.ly/2jy0EEEx>.

#### Option B

Log in to your account via [www.viewmyretirement.com/sanmateocounty](http://www.viewmyretirement.com/sanmateocounty) or call **800-743-5272** to update your investments.

### Questions?

We realize that the subject of investments is complex and that you will likely have questions. If you have any questions regarding this action, please visit <http://bit.ly/2jy0EEEx> set up an appointment with Patrick Washington.

\*Generally target retirement date (lifecycle) investment options are designed to be held beyond the presumed retirement date to offer a continuing investment option for the investor in retirement. The year in the investment option name refers to the approximate year an investor in the option would plan to retire and likely would stop making new contributions to the investment option. However, investors may choose a date other than their presumed retirement date to be more conservative or aggressive depending on their own risk tolerance.

Target retirement date (lifecycle) investment options are designed for participants who plan to withdraw the value of their accounts gradually after retirement. Each of these options follows its own asset allocation path ("glide path") to progressively reduce its equity exposure and become more conservative over time. Options may not reach their most conservative allocation until after their target date. Others may reach their most conservative allocation in their target date year. Investors should consider their own personal risk tolerance, circumstances and financial situation. These options should not be selected solely on a single factor such as age or retirement date. Please consult the prospectus (if applicable) pertaining to the options to determine if their glide path is consistent with your long-term financial plan. Target retirement date investment options' stated asset allocation may be subject to change. Investments in these options are not guaranteed and you may experience losses, including losses near, at, or after the target date. Additionally, there is no guarantee that the options will provide adequate income at and through retirement.

